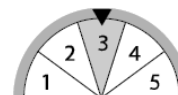


# SUN LIFE PROSPERITY PHILIPPINE EQUITY FUND

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## PRODUCT DETAILS

Medium Risk \*



- A fund is a pooled investment vehicle which :
  - gives investors access to the financial markets
  - pools your money with other investors
  - is managed by an Investment Manager who maintains the fund's portfolio and makes decision about what assets to buy and when to sell them
- Equity Funds are invested in stocks. They have a tendency to be volatile, with valuations changing considerably along with company developments and market events.
- The objective of the Sun Life Prosperity Philippine Equity Fund (Fund) is to invest mostly in high-quality Philippine equities diversified across sectors and issue sizes to provide moderate portfolio volatility, designed to generate long term capital appreciation. The Fund may also invest in fixed income securities issued by the Philippine Government and prime corporations such as, but not limited to, commercial paper, notes, bonds and nonconvertible preferred shares
- The Fund aims to perform better than Philippine Stock Exchange Index (PSEi).
- The Fund uses the Fair Market valuation method to value its assets / securities consistent with International Accounting Standard (IAS) 39. The Net Asset Value per Share (NAVPS) as of the close of business on any day, shall be the quotient obtained by dividing the value of the assets of the Fund less the liabilities by the total number of shares outstanding at such close. Fair Market valuation requires asset be valued on actual day-end market prices plus accrued interest. Unlike the accrual or amortised trade shares of participation in the Fund at their true current worth on the market. This enables investors to enjoy the full earnings potential of the asset class.
- The Net Asset Value per Share (NAVPS) of the Fund is net of taxes and management fees.

<b>Fund Manager</b>	<b>Sunlife Asset Management Company, Inc.</b>
<b>Fund Structure</b>	<b>Mutual Fund</b>
<b>Base Currency</b>	<b>Philippine Peso (PHP)</b>
<b>Launch Date</b>	<b>05 April 2000</b>
<b>Valuation Methodology</b>	<b>Fair Market Valuation (in compliance with IAS39)</b>
<b>Minimum Holding Period</b>	<b>N.A.</b>
<b>Minimum Investor Type</b>	<b>Balanced</b>

## BENEFITS of INVESTING in a FUND :

- **Professional Management.** The Fund is administered by a team of fund managers, who make the day-to-day investment decisions.
- **Instant Diversification.** The Fund is invested in a portfolio of securities.
- **Liquidity.** Units of participations can be bought and sold at any time, subject to the minimum holding period.
- **Affordable Investment Size.** Low minimum and incremental investment amount.

## **RISKS INVOLVED in INVESTING in the FUND :**

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- **There is no guaranteed minimum return.** Past performance should not be taken as an indication of future results.
- **The Fund and participations in the Fund are not capital-protected.** Since this is a trust product, any loss incurred or income derived therefrom is for the account of the investor. Participations in the Fund are not obligations of HSBC and/or Sun Life Asset Management Company Inc., and are not insured by the Philippine Deposit Insurance Corporation (PDIC).
- **The Fund has no fixed maturity date.**
- **Investment in the Fund does not constitute a deposit.** It will entail a Trust relationship governed by a Trust Agreement between the bank and the client.
- If the Fund you are investing in has a higher proportion of long-term securities, during times of volatility, it will be subject to larger price movements.
- **Management Risk.** The Fund is subject to management risk because they are actively managed investment portfolios. The investment manager will apply investment techniques and risk analysis in making portfolio decisions, however, there are no guarantees that these will produce the intended results.
- **Interest Rate Risk.** Changes in market interest rates will affect the value of the underlying assets and the Fund NAVPS either positively or negatively. In general, there is an inverse relationship between interest rates and bond prices. If interest rate goes up, current outstanding bonds in the market become less attractive, causing their prices to go down and vice versa. The NAVPS is based on bond prices in the Fund. Thus if bond prices drop, the NAVPS will go down as well.
- **Market Risk.** Many other factors can affect the value of the Fund assets, including socio-economic, political and investment conditions, which can cause the NAVPS to fluctuate particularly in the short-term.
- **Inflation Risk.** The rate of inflation may be higher than the rate of return on your investment.
- **Liquidity Risk.** There is financial risk involved should the Fund be unable to sell or convert assets into cash quickly or in instances where conversion to cash is possible but at a loss.
- **Credit Risk.** Issuers of underlying securities may default. If this happens, the price of the security will decline thus affecting the NAVPS of the Fund.

## **INVESTOR COMMITMENT**

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The Fund aims to provide moderate capital and income growth over a period of time. It is suitable for investors who:

- have an investment time horizon of at least three (3) years;
- want a reduced risk profile;
- understand the risks outlined above and are willing and able to take on these risks; are comfortable with short-term fluctuations in the value of their units of participations which, upon redemption, may be worth more or worth less than the original amount invested.

## **OTHERS**

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- Financial reports are provided by HSBC Manila Trust Department on a quarterly basis.
- Publication of prices: Subscription and redemption prices are published daily in the Business World, Stock Market Section and in [www.sunlife.com.ph](http://www.sunlife.com.ph). Investors are advised that such published prices are for information only. HSBC does not accept responsibility for any error in publication or for omission of publication of price.

### **\* Product Risk Level : Medium**

- The price volatility of the product is medium. Active market monitoring and management may be required to control the relevant risks.
- This product may be suitable for investors who are happy to accept medium level of investment risk.

## ABOUT THE FUND MANAGER

Sun Life Asset Management Company, Inc. (SLAMC) manages and distributes the Sun Life family Prosperity Funds. SLAMC is a wholly owned subsidiary of Sun Life of Canada (Philippines) and a member of the Sun Life Financial Group. Sun Life Financial has been in the business of risk protection and wealth accumulation for over 143 years and has more than CDN\$436B in managed funds as of December 2006. Its headquarters is in Toronto, Canada but it also operates through its wholly owned subsidiaries in the United States, UK, Ireland, Bermuda, China, Indonesia, Hong Kong, India, and the Philippines. Sun Life Financial is also the parent company of MFS Investment Management Co., which established the first mutual fund and is currently one of the largest mutual fund management companies in the United States.

SLAMC is located at 15<sup>th</sup> Floor, Tower II, The Enterprise Center, 6766 Ayala Avenue, Makati City with telephone number (632) 849-9888.

### Disclaimer:

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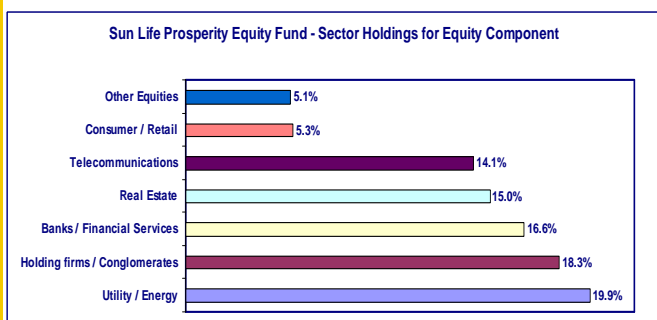
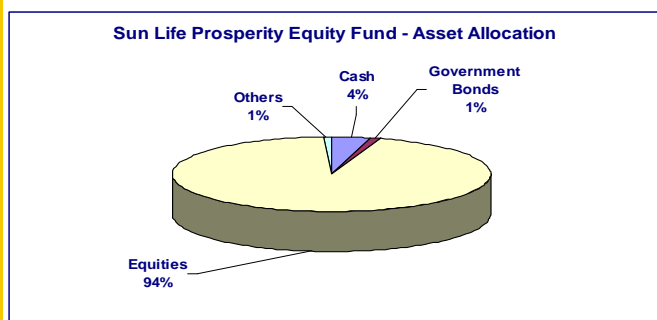
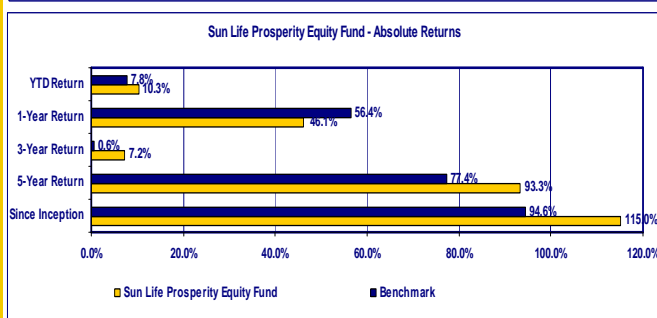
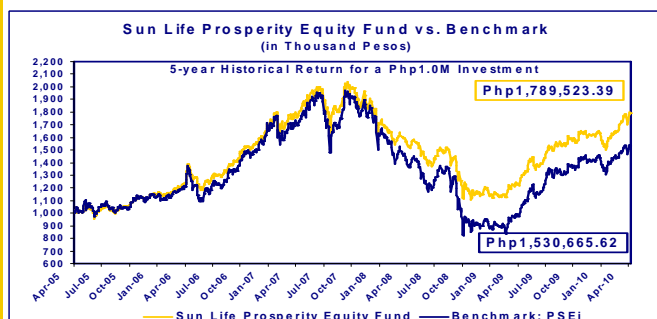
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# SUN LIFE PROSPERITY PHILIPPINE EQUITY FUND



Investing made easy.

April 30, 2010



## Fund Details

Launch Date	5-Apr-00
Fund Size	Php 3,196,592,039.98
Net Asset Value Per Share	Php 2.0398

## MARKET REVIEW

The PSEi extended the previous month's rally as it advanced by +4.1% m-o-m, closing at 3,290.09, after posting a brief high of 3,307.71 in the latter part of April. Though volatile at times, the market managed to come unscathed from weakness in world markets, as it posted a ytd return of 7.8% - the highest end-month return so far. Local markets were also affected by external events, such as the marked drop in the Dow Jones mid-month on the back of an SEC probe on Goldman Sachs and the continuing saga of Greece's fiscal troubles. However, generally speaking, it was business as usual, with three listed companies (Metrobank, Banco de Oro and Metro Pacific Investments) successfully completing their respective equity placements, which signaled continuing investor appetite for equities. Market turnover was a healthy PhP4.1bn from PhP3.1bn the previous month. Foreign participation also inched up to USD198mn, but stripping out the placements, this would have been a more modest USD57mn. Nonetheless, local investors continued to carry the day, as they comprised nearly 60% of total market activity.

## OUTLOOK AND STRATEGY

We have come to the tipping point for the local market - the May 2010 elections, the result of which will determine the market's direction for the rest of the year. All other factors - the deficit, contagion effect of sovereign EU downgrades, inflation, GDP growth - will take a backseat for the meantime. Our base case still assumes that the elections will result in an orderly transfer of power, whether it be through full automation or some manual-automated form. However, as of this writing, the market has come under extreme pressure due to some unexpected hitches in the automation process, making it vulnerable to negative turns in sentiment. While our view remains the same, we will tweak our strategy to factor in the expected volatility in the coming days. We will remain fairly weighted in equities, but will pare down trading positions and top-slice on those issues which are still relatively in-the-money and use funds generated to position for a post-election rebound should our base case scenario prevail. Core stock positions will be maintained, albeit under close watch for adverse market developments.

## Top 10 Equity Holdings

Company	% to Total Assets
Phil Long Distance Telephone Co.	9.7%
Ayala Land Inc.	6.5%
PNOC Energy Development Corp.	6.5%
Ayala Corporation	6.1%
Bank of the Phil Islands	5.7%
First Phil Holdings Corp.	5.2%
Aboitiz Power Corporation	5.1%
Metropolitan Bank & Trust Company	4.8%
Intl Container Terminal Services	4.2%
SM Prime Holdings Inc.	3.9%

Invest wisely. Important information about the Sun Life Prosperity Funds is contained in their prospectuses, which may be obtained from duly authorized Sun Life Mutual Fund distributors. Read the prospectus carefully before investing. Share values and thus yields will fluctuate. Please note that return statistics only indicate past performance over the periods indicated and not future performance.